



Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2016

Business Studies

Assessment Unit AS 1
assessing
The Competitive Business

MV18

[AT111]

TUESDAY 14 JUNE, AFTERNOON

Time

1 hour 30 minutes, plus your additional time allowance.

Instructions to Candidates

Write your Centre Number and Candidate Number on the Answer Booklet provided.

Answer **both** questions.

Information for Candidates

The total mark for this paper is 80.

Quality of written communication will be assessed in Question 1 parts (d) and (e) and Question 2 parts (d) and (e).

Figures in brackets printed at the end of each question indicate the marks awarded to each question or part question.

Advice to Candidates

You are advised to take account of the marks for each question or part question in allocating the available examination time.

- 1 Study the information below and answer the questions that follow.

Framing Fantastic

Framing Fantastic is a small business offering a computerised picture framing service to clients throughout the UK and Ireland. The business, which has small showrooms in Antrim, Belfast and Lisburn was established in 2002 by Shane Noble. Shane previously worked for many years as a carpenter/joiner and his skills were easily transferable to the framing business.

Shane, a sole trader, works from a large workshop at home and manufactures bespoke picture frames and mounts that are tailored to customer's requirements. He boasts of using the only Trucut™ double-headed mount cutter in Northern Ireland as part of the manufacturing process. This state-of-the-art equipment, together with highly qualified staff, means that Shane can offer quality products to an expanding customer base. His clients include art galleries, photographers, art and photographic clubs as well as private individuals. The products include a wide range of frames and mounts that are available to order online or directly from the workshop gallery and his showrooms.

Shane's working hours are flexible to ensure convenience for customers. He encourages his customers to post online reviews on all aspects of his business to ensure that he is meeting their needs.

Shane is also a member of the Fine Art Trade Guild and has many years of experience in the craft of framing and conservation of original artwork and needlework to

museum standards. He plans to expand the business in this particular area. Shane has been advised to conduct primary market research and draw up a marketing plan for the business.

- (a)** Explain why Framing Fantastic should undertake primary market research, using an example from the case study to illustrate your answer. [4 marks]
- (b)** Explain how product quality could be measured, using an example from the case study to illustrate your answer. [4 marks]
- (c)** Analyse the benefits to Framing Fantastic of using job production. [8 marks]
- (d)** Discuss the advantages and disadvantages to Shane of operating his business as a Sole Trader. [12 marks]
- (e)** Evaluate the usefulness of a marketing plan to a business such as Framing Fantastic. [12 marks]

- 2 Study the information below and answer the questions that follow.

Perks Kitchens

Perks Kitchens is a growing business owned and managed by Lawrence and his son David. The business provides a fully insured kitchen fitting and makeover service designed to meet current quality standards. Lawrence and David use quality materials, up-to-date equipment and specialist trades people such as tilers, electricians and plumbers when undertaking jobs. In addition they deliver a promise of guaranteed satisfaction at competitive rates to their customers in counties Antrim and Down.

Lawrence and David both have extensive manufacturing experience and also previously worked at assembling flat pack kitchens for a well-known DIY store. Lawrence stated however, “I get greater satisfaction working directly with customers and seeing their dream kitchen come to life in their own home”.

The business has a website, so potential customers can view sample kitchen cabinets, worktops and appliances online. Lawrence firmly believes in personal service so he or David will visit customers in their own home to give advice and draw up a kitchen design using the latest 3D software. Both father and son are very proud of their business achievements to date but want to extend their customer base throughout Northern Ireland. They were advised to carry out extensive research to assess the opportunities in the market before committing any additional finance to expanding their fitting service.

- (a) Explain what is meant by **adding value**, using an example from the case study to illustrate your answer. [4 marks]
- (b) Explain what is meant by the **people** element of the marketing mix, using an example from the case study to illustrate your answer. [4 marks]
- (c) Analyse the factors that might affect the demand for fitted kitchens provided by Perks Kitchens. [8 marks]
- (d) Discuss the advantages and disadvantages to Perks Kitchens of using secondary market research. [12 marks]
- (e) Evaluate whether a business such as Perks Kitchens should draw up a quality policy. [12 marks]

THIS IS THE END OF THE QUESTION PAPER

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